(vi) Follow-up and enforcement : After the on-site inspection action plan for the banks would be prepared based on the identified concerns and to be monitored by the Department of Supervision (DOS).

(vii) Rating on Banks : The group has recommended to adopt a rating system for banks based on CAMEL model emphasising different rating factors. Banks would be rated on a five score scale of A to E based on their strength and soundness on rating factors viz capital adequacy, asset quality, management, earnings, liquidity, systems and controls (CAMELS) for Indian banks and capital adequacy, asset quality, compliance, systems and controls (CACs) for foreign banks.

(b) and (c). The modalities for implementation of the recommendations are being worked out and the revised inspection of banks by RBI is expected to be introduced from the Annual Inspection cycle of banks to be taken up with reference to the banks' financial position as on March 31,1997. The revised Inspection Manual is also expected to be in place before this date.

[Translation]

Participation in World Economic Forum Conference

2240. SHRI RAVINDRA KUMAR PANDEY : Will the Minister of COMMERCE be pleased to state :

(a) whether India has participated in the World Economic Forum Conference organised in October, 1996;

(b) if so, the details of issues discussed and the outcome thereof;

(c) whether the position of India in the field of information regarding world trade has been described in this conference as less than 0.1 repeat by the officers of World Trade Organisation; and

(d) if so, the achievements made by India in obtaining modern techniques in different fields from the above mentioned conference?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b). Sir, World Economic Forum, Geneva - a non-Governmental organisation - and the Confederation of Indian Industry had organised a meeting in October 1996 on "India: a global partner in the marking". It was also addressed *inter-alia* by the Prime Minister and Finance Minister of India. Trade and Industry participated at the Conference.

(c) It is learnt that at this conference a WTO official stated that India's share in world trade of information technology products is less than 0.1%.

(d) Sir, the Conference was a brain-storming meeting and provided an opportunity to Indian participants to interact with their foreign counterparts in various areas of mutual interest.

Consumption and Export of Paper and Newsprint

2241. SHRI JAGDAMBI PRASAD YADAV : Will the Minister of INDUSTRY be pleased to state :

(a) the total consumption and export of all type of papers and news print in the country; and

(b) the steps being taken to boost its production?

THE MINISTER OF INDUSTRY (MURASOLI MARAN) : (a) Total consumption of Paper and Newsprint in the country during the year 1995-96 was as under :

	Indigenous Production (lakh tonnes)	Import (tonnes)
Paper	27.10	1,10,041
Newsprint	4.10	3,45,000

There has been only marginal export of paper as well as newsprint to the neighbouring countries.

(b) The policy of the Government is to provide fiscal incentives to induce more investment in order to boost production of all types of papers and newsprint in the country. Some of the fiscal incentives are :

1. To obviate the shortage of raw material, Government is encouraging use of non-conventional raw materials for manufacturing paper by way of lower excise duty of 10% on paper manufactured by using atleast 75% non conventional raw material.
2. Exemption from Excise Duty on writing and printing paper used by State Text Book Publications Corporations/Boards for NCERT for printed educational text books.
3. Newsprint has been exempted from excise duty and on procurement of raw materials like wood pulp there is reduced customs duty.
4. Peak rate reduction in customs duty on inorganic/organic chemicals.
5. Reduction in customs duty on caustic soda and soda ash from 40% to 30%.
6. Reduction in customs duty on wood pulp and waste paper.

Moreover, procedures have been liberalised for attracting investment in paper industry. Paper and newsprint industry have been partially delicensed since July, 1991. Paper units based on use of minimum 75% pulp from bagasse and other agricultural residues and non-conventional raw materials including waste paper are exempted from industrial licensing subject to satisfaction of locational criteria.